

1 of the tariff, but that you were concerned that you
2 did not--did you not want to provide the switching
3 between the two trunks.

4 MS. FOX: And there is another point they
5 didn't get to make this morning, is that--

6 MR. KOERNER: Could you answer that
7 question before you make your second point.

8 MS. FOX: Well, the clarification that I
9 wanted to make is, I think, important in answering
10 your question because it has to do with what
11 "diverse" means. And diverse circuit generally
12 means it's got a route, a completely separate
13 route, through the network. When you order an
14 unbundled network element, we check to see if there
15 are facilities available to get you from point A to
16 point B. If you order a second circuit, which is a
17 second unbundled dedicated transport circuit, which
18 is what I was suggesting this morning, could be
19 equivalent to a diverse circuit. There is no
20 guarantee that that second circuit ordered would
21 actually go over a diverse route.

22 So, this morning--in trying to answer your

1 question now, if you wanted me to agree that
2 diversity could be ordered in conjunction with an
3 unbundled network element, I'm saying, well, not
4 necessarily. You may be--you may order an
5 unbundled dedicated transport between two points,
6 and it's routed a particular way. Then if you
7 order a second circuit, there is no guarantee it's
8 going to be routed in a different way.

9 MR. GANSERT: Maybe most fundamentally, if
10 the question is posed do we offer diversity for
11 unbundled elements, the answer is we don't, that
12 someone could use unbundled elements to potentially
13 create a diverse arrangement, but the language that
14 was proposed which says Verizon will provide
15 diversity for its unbundled elements, we just don't
16 provide that, we really don't think we have to, and
17 really don't have the means to do that.

18 MR. KOERNER: I'm not sure that's what the
19 language said, but is it possible either
20 through--well, I don't want to characterize
21 WorldCom's position, but would it be possible from
22 Verizon's perspective either through ordering

1 unbundled trunk or ordering through special access
2 or special construction to create a diverse
3 facility, a diverse set of facilities?

4 MS. FOX: It seems like that would be
5 possible.

6 MR. KOERNER: But you would not want to
7 switch back and forth between the two?

8 MS. FOX: That's correct, because we would
9 have a situation where an unbundled network element
10 was commingled with a special access circuit.

11 MR. GANSERT: And also implies an
12 additional service element which says that we are
13 guaranteeing that diversity has been created, that
14 we are doing our assignment--we are actually going
15 to engineer this so that we guarantee diversity,
16 and we don't do that as part of our regular
17 operation. Our network has loads of diversity
18 built into it, but as a service, if the customer
19 requests specific diverse routing, that's a special
20 type of service that we offer that people pay for
21 us to do, and then we make a guarantee that we will
22 make it diverse.

1 MR. KOERNER: Thank you.

2 MS. FOX: But it's not really a network
3 element. As Joe said, that really is a service.

4 MR. KOERNER: WorldCom, are you looking
5 for Verizon to provide the switching between the
6 switching between your two sort of diverse
7 circuits, whether they are unbundled network
8 elements or pursuant to special construction
9 arrangement? Or would you perhaps use your own
10 switching capability to go back and forth between
11 the two?

12 MR. BUZAROTT: I believe the intents of
13 this provision is to make that version has the
14 obligation to provide the facilities pursuant to
15 tariff, if they're not available as an unbundled
16 network element.

17 MR. KOERNER: Okay. Let me turn to
18 digital cross-connect.

19 Verizon, I note that your language in 10.3
20 seems to closely track our rule on the subject, and
21 it also captures Verizon's obligation that they
22 provide digital cross-connects to the same extent

1 that they do to interexchange carriers. The
2 language that follows from 10.3.1 to 10.3.2.13,
3 where does that language come from? 10.3.2.13.
4 Where does that language come from? Is that
5 designed to parrot what is in the interstate tariff
6 that governs Verizon's relationship with an
7 interexchange carrier?

8 MR. BUZAROTT: The first thing I would say
9 is this language was in our existing agreement with
10 Verizon, so the language is our starting point with
11 negotiations this time around, and that's really
12 where it came from. But then generally, it just
13 describes the function of a digital cross-connect
14 system, and the Intellimux system--Intellimux
15 feature or service they provide in their interstate
16 access tariff.

17 MR. KOERNER: Okay. And it's your
18 position that the Intellimux system is a digital
19 cross-connect system? Because I believe Verizon's
20 position is different.

21 MR. BUZAROTT: The rule gives us access to
22 digital cross-connect systems in the manner in

1 which Verizon gives access to IXC's to digital
2 cross-connect systems, so the issue is really does
3 Intellimux give interexchange carriers access to
4 cross-connect systems? And the answer is yes, if
5 you look at their tariff. That's the whole purpose
6 of the Intellimux system.

7 MR. KOERNER: Are you suggesting, then,
8 that Verizon's obligation either under the contract
9 or under the rules would be to provide digital
10 cross-connect systems to the same extent as it's
11 embodied in the tariff, if it's embodied in a
12 broader concept like the Intellimux concept?

13 MR. BUZAROTT: I don't know I would
14 characterize Intellimux as a broader concept. It
15 is a system that provides interexchange carrier
16 customers with access to digital cross-connect
17 systems.

18 MR. KOERNER: Is it your position that
19 Verizon cannot provide you access to the digital
20 cross-connect system to the same extent as it does
21 to the IXC's if it does not include access to the
22 Intellimux system?

1 MR. BUZAROTT: That's our position, yes.

2 MR. KOERNER: Thank you. I have a few
3 more quick questions.

4 WorldCom, in your rebuttal testimony, I
5 believe you referred to a dispute over OC48. You
6 indicated that Verizon did not answer a question
7 whether they provide OC48 throughout their network;
8 is that correct?

9 MR. GOLDFARB: Can you refer to where on
10 the testimony?

11 MR. KOERNER: I believe it's WorldCom
12 Exhibit 13, page 10, lines 29 through 30.

13 MR. GOLDFARB: None of us here on the
14 panel today were part of the negotiations, and I
15 don't think we are quite certain where that may be
16 in the negotiations.

17 MR. KOERNER: All right.

18 MS. FOX: I could address that because I
19 was at the mediation session where that was an
20 issue, and Joe could answer the question as well to
21 add additional technical detail.

22 MS. FARROBA: Is the question whether

1 that's still a disputed issue?

2 MR. KOERNER: Yes.

3 MS. FARROBA: Could we start with yes or
4 no from the panel.

5 MR. BUZAROTT: Yes, it is.

6 MS. FOX: Yes.

7 MR. KOERNER: Is the nature of the dispute
8 captured in your testimony somewhere beyond those
9 two lines?

10 MS. FOX: The nature of the dispute is
11 what speeds dedicated transport does Verizon
12 provide, and we provide, I believe--somewhere in
13 the documentation, we provide up to OC12. And the
14 question raised in the mediation session is why
15 don't you provide OC48? And I explained that OC48
16 had to be provisioned on a higher level system that
17 we do not have available in our network today. So,
18 therefore, we could not provide OC48 as a dedicated
19 transport speed.

20 MR. KOERNER: You don't have it even for
21 your own?

22 MS. FOX: That's correct.

1 MR. KOERNER: Okay.

2 MS. FOX: So, during the mediation
3 session, it was--I wanted to provide them with
4 additional technical detail, and that's what Joe
5 can provide, if we need to.

6 MR. KOERNER: I think that's good enough,
7 thank you.

8 But similarly, that same page, WorldCom,
9 there is a discussion about the definition of
10 nondiscriminatory basis. I was curious if you
11 could explain whether there is a dispute over that
12 definition. That's page 10, lines 30 through 40,
13 30 through 39.

14 MR. GOLDFARB: This is the language that
15 we had provided to them, and I think it's language
16 that--I'm not certain, but I believe it's language
17 that Verizon disagreed with.

18 Again, having not been a part of the
19 mediation negotiations, I'm not certain where--what
20 the status of this is.

21 MR. KOERNER: Do you know where this
22 language appears in the proposed contract language?

1 ARBITRATOR ATTWOOD: Brad, is the question
2 going to what is the current contract language?

3 MR. KOERNER: If there is a dispute over
4 this language, what is the nature of it.

5 MR. LATHROP: His question was do we know
6 where in the existing contract it was, which is
7 what we were trying to find. This was language
8 during the mediation sessions we provided to
9 Verizon. And as you said, they hadn't gotten back
10 to us on whether they agree or disagree with this.

11 So, I guess if there is no response, then
12 the existing contract language would probably be
13 here. It's a procedural issue because of the
14 mediation sessions arise, and wasn't the case that
15 it wasn't a stopping point essentially.

16 So, in answer to your question, I'm not
17 sure if this is what was picked up in our part of
18 the Joint Decision Point List. I believe it was.
19 I believe we tried to collect those things that had
20 been put forth in our testimony, and they're sort
21 of last cut as what our proposal is.

22 MR. KOERNER: Does Verizon have any input?

1 MR. GANSERT: I'm not sure we followed the
2 discussion.

3 MR. GARY: How to respond to
4 nondiscriminatory language?

5 MR. KOERNER: The question was broader
6 than that. I curious whether there is a dispute
7 over this language, responding to what WorldCom's
8 testimony was, there seems to be a possible dispute
9 over this language, and Verizon didn't respond to
10 it. Since I don't know the answer myself, I'm not
11 quite certain how to phrase the question.

12 Is there a dispute, I guess, with--what is
13 the nature of it?

14 MR. GANSERT: Do you have the reference in
15 the JDPL?

16 MR. KOERNER: No, I do not. I don't know
17 what part of the contract it goes.

18 MS. FOX: So, you're referencing the
19 testimony?

20 MR. KOERNER: I am, WorldCom Exhibit 13 at
21 page 10.

22 ARBITRATOR ATTWOOD: It would be helpful

1 to clarify at some point what the contract language
2 that is in dispute is, but I don't want to spend
3 all this time on people looking because it may be,
4 in fact, have been resolved by some means, so that
5 was the nature of his questions, and you could
6 spend some time perhaps responding, looking through
7 and responding to that, which would be helpful for
8 us, or it will be solved through getting a current
9 up-to-date contract proposal.

10 MR. GANSERT: I may be able to help, that
11 this is in the context of this OC48 question.

12 MS. FOX: No, it isn't. They're two
13 separate actions.

14 MR. GANSERT: It was written that way.
15 I'm going to say the OC48 issue is not really an
16 issue. It seems to be our inability to communicate
17 that OC48 as a contributory service can't be
18 provided by an OC48 system. We never said we
19 wouldn't provide an OC48 transport if we had it.
20 In fact, we do provide it in other places. All we
21 are saying in the discussion was, we don't have it,
22 and there was a misunderstanding, I guess, the

1 people at the conference said, how come you have
2 OC48 systems? Why can't you provide OC48? Because
3 OC systems doesn't provide OC48 transport. They
4 provide OC48 line speed.

5 So, there is no issue about
6 nondiscriminatory access to a transport service.

7 MR. KOERNER: I didn't really want to get
8 back into whether OC48 is technically feasible or
9 currently deployed. I was trying to get at what
10 the nature of the dispute is. And if the parties
11 are--perhaps you could get back to us on that.

12 MR. GANSERT: It's just the sentence says
13 "and to review it." Right after it says--

14 MR. KOERNER: I understand, sir.

15 ARBITRATOR ATTWOOD: Do you have any other
16 questions?

17 MR. KOERNER: No other questions.

18 MS. FOX: It was just two separate action
19 items. Did we like that language, or what
20 objection did we have on the nondiscriminatory;
21 language. It didn't have anything to do with the
22 OC48 issues.

1 MR. KOERNER: I didn't mean to suggest
2 they did. They happened to be on the same page.

3 MR. DYGART: I think that we are finished
4 with subpanel five.

5 MR. GARY: I have some redirect.

6 MR. DYGART: On what issues?

7 MR. GARY: It won't take along.

8 MR. DYGART: What issue?

9 MR. GARY: One issue is to Mr. Rousey on
10 the Cox petition we saw last night. The second
11 issue is to Ms. Detch on this Massachusetts tariff
12 that was mentioned this morning. And the third
13 issue is to Mr. Gansert, as an engineer, why
14 Verizon Virginia doesn't want other technicians
15 working on his network system.

16 MR. DYGART: All right. Quickly.

17 REDIRECT EXAMINATION

18 MR. GARY: Ms. Detch, this morning we
19 mentioned in a discussion with Mr. Loux that there
20 is a Massachusetts tariff that allows for splicing
21 fibers. Do you recall that?

22 MS. DETCH: Yes.

1 MR. GARY: Can you explain what that
2 tariff--the origin of that tariff.

3 MS. DETCH: Yes. Prior to the FCC UNE
4 Remand Order back in 1996, the Mass DTE had an
5 arbitration and resulted in a subsequent order for
6 unbundled dark fiber prior to the FCC determining
7 that it's an unbundled network element. And the
8 tariff is a result of the final order which lists
9 the terms and conditions. One of the terms in the
10 Mass DTE order is to allow splicing at existing
11 splice points, but not at new and not to splice
12 segments to create new routes.

13 Since that time we have been offering
14 unbundled dark fiber since the order in
15 Massachusetts, and we have yet to receive and/or
16 provision a request for unbundled dark fiber at a
17 splice point, in an existing splice point.

18 MR. GARY: That order was issued prior to
19 the UNE Remand Order?

20 MS. DETCH: Correct. It happened over a
21 period of time, so that was the phase four order
22 came out shortly before or after the FCC UNE Remand

1 Order. In a matter of weeks they finished their
2 decision writing, and then they had a final order
3 to clarify any issues between parties that came out
4 in August of 2001.

5 MR. GARY: All right. Now, Mr. Rousey,
6 you recall last night you and Mr. Loux discussed
7 the Cox petition that was marked as AT&T Exhibit
8 24?

9 MR. ROUSEY: Yes.

10 MR. GARY: Now, your testimony,
11 Mr. Rousey, that's in Verizon Virginia Exhibit 15,
12 pages 11 and 12, states that insider wiring has not
13 been a contentious issue in Virginia, and that no
14 formal complaints have been filed with the Virginia
15 Commission in providing CLECs access to inside
16 wiring.

17 Do you recall that testimony?

18 MR. ROUSEY: Yes, I do.

19 MR. GARY: Now, does the Cox petition deal
20 with inside wiring?

21 MR. ROUSEY: No, it deals with network
22 reconfiguration.

1 MR. GARY: Thank you.

2 Now, Mr. Gansert, we had several
3 cross-examinations today that have gotten back to
4 the same spot, which is Verizon Virginia isn't
5 comfortable with other technicians working on its
6 system, network system. Can you explain why that's
7 the case.

8 MR. GANSERT: Well, and again here we are
9 talking about the cross-connect frames, I believe
10 is the context. I mean, the fundamental concern of
11 a cross-connect frame or an FDI or the FDI in the
12 basement or RT is the point where the services of
13 many customers are exposed for connection, and it's
14 an uncontrolled environment. It's an environment
15 where it's very easy to remove wires or to make
16 mistakes because having done it, it's not the
17 easiest environment to work in.

18 And I think our fundamental concern is we
19 are responsible to maintain the quality of service
20 in that terminal to maintain the service of the
21 people that are served by that terminal, and we
22 want to fulfill that responsibility, and I think

1 that's--at the end of the day, that's the reason
2 why.

3 MR. GARY: Thank you. That's it. Nothing
4 further.

5 MR. LOUX: Just one question on redirect
6 to Mr. Pfau, please, on mid access.

7 MR. DYGART: All right.

8 REDIRECT EXAMINATION

9 MR. LOUX: Mr. Pfau, is your understanding
10 of Mr. Rousey's testimony regarding the concerns of
11 Verizon Virginia expressed about CLEC access to
12 Verizon Virginia controlled inside wire adversely
13 affecting its performance metrics conform with your
14 understanding?

15 MR. PFAU: No, it doesn't. It's a very
16 different situation when you talk about MTEs with
17 other network access points. The network side of
18 the NID in Verizon premises is secured, and the
19 lifting of an inside wire is not going to cause a
20 maintenance trouble report to any greater extent if
21 it's made by a CLEC than it is by a non-CLEC. As a
22 matter of fact, most of the wiring right now is

1 being moved by nontelecommunications people.

2 Beyond that, when trouble is reported that
3 is isolated to inside wire or CPE is treated as a
4 nonmeasured trouble, and a nonmeasured trouble is
5 generally not included in any kind of a consequence
6 plan. And to the extent it was included in a
7 consequence plan, there could be an exception rule
8 established in those plans to avoid them being
9 unjustly penalized.

10 MR. DYGART: Thank you very much. This
11 panel is excused, and we would like, if possible,
12 to move directly to subpanel two.

13 ARBITRATOR ATTWOOD: We will take a
14 ten-minute break.

15 (Brief recess.)

16 ARBITRATOR ATTWOOD: Why don't we go back
17 on the record.

18 MR. DYGART: At this point, Verizon, do
19 you all want to do your cross so we bounce back and
20 forth between petitioners?

21 MR. GARY: We waive the cross.

22 MR. DYGART: Then we need to have both

1 witnesses sworn, please.

2 Whereupon,

3 STEVE GABRIELLI

4 ROBERT KIRCHBERGER

5 were called for examination by counsel for
6 Commission and, after having been duly sworn by the
7 notary public, were examined and testified as
8 follows:

9 MR. DYGART: If you could identify
10 yourselves for the record.

11 MR. KIRCHBERGER: Robert Kirchberger for
12 AT&T.

13 MR. GABRIELLI: Steve Gabrielli for
14 Verizon.

15 MR. DYGART: At this point we will move
16 directly to staff questioning.

17 QUESTIONS FROM STAFF

18 MR. MOON: Paul Moon of the Common Carrier
19 Bureau.

20 First question is directed to AT&T.

21 We would like to ask AT&T to clarify
22 precisely what its proposal is specifically

1 focusing on the fact that they seem to be proposing
2 that Verizon treat all intra-LATA traffic to and
3 from AT&T UNE-P customers as its own. Can you
4 explain what you mean by that.

5 MR. KIRCHBERGER: The concept there is
6 that since Verizon is providing the switching
7 function, as it terminates calls to the AT&T
8 customer, it's actually calls are being terminated
9 on its own network on its own switch. So, the
10 concept is that for intracarrier compensation for
11 reciprocal compensation collecting from other
12 carriers that it ought to collect that money
13 through its own Interconnection Agreements with
14 other carriers as if it was its own traffic, and
15 then keep that call termination compensation.

16 MR. MOON: And do you believe that Verizon
17 is then made whole for its transitting of that
18 traffic?

19 MR. KIRCHBERGER: Yes, because the switch
20 is used only once. They would not charge AT&T to
21 switch minute for that transaction.

22 MR. MOON: Okay. Given the complication

1 of this issue, perhaps we could go through the path
2 of a call, and the specific question to AT&T will
3 be what exact payments are rendered given one
4 direction from an AT&T UNE-P customer through
5 Verizon's network and on to a third party CLEC, and
6 then vice versa a CLEC call going through Verizon's
7 network and ending at the UNE-P customer.

8 MR. KIRCHBERGER: I will try my best, but
9 I'm basically a policy witness. I'm not the
10 technical witness that did this negotiation.

11 MS. PREISS: All we want is the
12 compensation flow, who pays what to whom.

13 MR. KIRCHBERGER: Okay. If a call is
14 terminated at AT&T from an AT&T local customer that
15 originated from a Verizon local customer, Verizon
16 would own the customer, and would get whatever
17 monthly fee from that customer is for local
18 service.

19 For that call, normally they would charge
20 AT&T local call termination for the use of their
21 switch as a UNE-P customer, and AT&T would also
22 have the right to charge Verizon reciprocal

1 compensation for them having a customer terminate a
2 call on AT&T's customer, since UNE-P you act as if
3 it was your switch.

4 And so, in that case, both of those
5 charges are basically the same. They will cancel
6 each other out, and therefore there should be no
7 charge for either us terminating the call for them
8 or them charging us for using their switch for X
9 number of minutes as a UNE charge.

10 MS. PREISS: Could I stop you for a
11 second.

12 To Verizon, do you agree with that
13 compensation? Do you have a problem with that?

14 MR. GABRIELLI: I couldn't hear you.

15 MS. PREISS: I'm sorry. Is that an
16 acceptable proposal to you?

17 MR. GABRIELLI: That is not what we are
18 doing today, no.

19 MS. PREISS: What does Verizon propose
20 happen under that circumstance?

21 MR. GABRIELLI: Propose, or what are we
22 billing today, I guess, is the question.

1 MS. PREISS: Both. What are you proposing
2 that this Commission put in this contract?

3 MR. GABRIELLI: Okay. We propose that we
4 continue to bill UNE elements the way we are
5 billing them today, which in the example we just
6 talked about, or Mr. Kirchberger was talking about,
7 it didn't involve the third-party scenario we
8 started off with, but it was a call from a Verizon
9 end user going to a UNE-P and vice versa, staying
10 solely on Verizon's network.

11 And in that case, the reason we don't--we
12 propose to stay the way it is, if a call for a
13 UNE-P terminated to a Verizon retail end user or in
14 our switch it stays solely on Verizon's network, we
15 charge UNE rates to the CLEC for the originating
16 local switching, common transport elements, and for
17 the termination of that call.

18 And the opposite scenario where Verizon
19 originates the call and it terminates to the UNE-P,
20 there are no UNE-P charges assessed to the CLEC at
21 all on that call flow.

22 MS. PREISS: Okay, now I'm confused. I

1 thought Mr. Kirchberger said that when a Verizon
2 end user originates a call, that then goes to an
3 AT&T UNE-P customer, I thought his proposal was
4 that you wouldn't--Verizon wouldn't charge the
5 UNE-P switching in that instance because Verizon
6 would otherwise be paying termination and
7 collecting the UNE-P switching, and so it would be
8 awash. I thought I just heard you agree with that.

9 MR. GABRIELLI: No, what I understood
10 Mr. Kirchberger to say is that a call going both
11 direction--

12 MS. PREISS: A call goes in one direction,
13 so let's take one at a time.

14 MR. GABRIELLI: Which one would you like
15 to start with?

16 MS. PREISS: Let's talk about the one
17 Mr. Kirchberger talked about.

18 Well, maybe we could narrow it down.

19 AT&T, is this issue only about--we haven't
20 identified it. It's V-3.

21 MR. MOON: V-3 and V-4-A.

22 MS. PREISS: Which are the same issue,

1 according to AT&T.

2 Does that encompass this scenario that we
3 are talking about here?

4 MR. KIRCHBERGER: I think the concept of,
5 quote, bill and keep was questioned--that question
6 was brought up in rebuttal testimony or reply
7 testimony from Verizon, it has been kind of
8 captured in as--in part, by that concept.

9 What I wanted to talk about is, quote,
10 billing keep that we have used in a contract
11 language, may not be the most appropriate or might
12 be a misnomer because that appears to be a term of
13 art, and it was used to show that there is a
14 zero-sum game on some calls, and where the costs
15 and the charges cancel each other out, or the
16 charges go both ways and they cancel each other
17 out, that there shouldn't be any billing for that.

18 MS. PREISS: What I'm trying to figure out
19 is, is this issue only about calls to and from AT&T
20 UNE-P customers to third-party CLECs with which
21 AT&T is not directly interconnected? They're
22 interconnected through Verizon? Or does it include

1 the scenario you just described, where there is no
2 third CLEC or second CLEC involved. It's a Verizon
3 retail customer calling an AT&T and UNE-P customer.

4 MR. KIRCHBERGER: I think the issue, of
5 course, encompasses the involvement of third-party
6 carriers, but the example we give and just gave
7 gives the conceptual example of the concept of
8 where things cancel each other out, and you
9 shouldn't be billing for it.

10 But, in fact, I believe--it's my
11 understanding that in the early part of the
12 negotiations there was a series of call-flow charts
13 that were produced. And I don't know exactly why,
14 but these were not carried through to the end of
15 detailing each direction each way and carrier
16 compensation for each one.

17 It appears that this was approached in
18 general language, and the questions you're asking
19 go to specific call flows on various types of
20 calls.

21 So, it would include all types of calls,
22 the concept here both from Verizon to AT&T and from

1 third parties through Verizon to AT&T.

2 MS. PREISS: Okay, then. I think we need
3 to give Mr. Gabrielli a chance to answer the
4 question.

5 If a call is coming from Verizon retail
6 customer to an AT&T UNE-P customer, what is
7 Verizon's position in this arbitration as to the
8 appropriate compensation flow?

9 MR. GABRIELLI: We would expect--our
10 position is to keep it the way it is today. There
11 are no charges when a Verizon retail end user
12 terminates to an AT&T UNE-P on Verizon's network.

13 I was going to say it was Verizon's
14 network when we originated the call, the common
15 transport and the terminating switch, and we don't
16 apply any charges to the UNE for our end user
17 placing that call.

18 MS. PREISS: Okay. So then, you're
19 agreeing with Mr. Kirchberger?

20 MR. GABRIELLI: No. He's saying we charge
21 them to terminate the call. We don't charge them
22 anything to terminate that call.

1 MS. PREISS: I thought Mr. Kirchberger
2 just said that the money flow would cancel each
3 other out.

4 All right. So, Verizon's position is,
5 Verizon retail customer calls an AT&T UNE-P
6 customer, and there are no intracarrier charges
7 associated with that call?

8 MR. GABRIELLI: There are no UNE charges
9 associated with that call at all.

10 MS. PREISS: And no transport and
11 termination charges associated with that call?

12 MR. GABRIELLI: That's correct.

13 MS. PREISS: Okay. I assume that's
14 acceptable to AT&T?

15 MR. KIRCHBERGER: Yes, it is.

16 MR. GABRIELLI: May I clarify one thing?
17 If you take the reverse of that call where UNE-P
18 originates the call and terminates to a Verizon end
19 user, on that we do access unbundled local
20 switching elements for the use of our network when
21 their end user makes a call, and that's why when
22 they talk about billing keep on this local and

1 toll, we don't charge them when our end user calls
2 them, but in the reverse we do charge.

3 So, I guess the point is, if it's bill and
4 keep, we are already not charging them on
5 terminating a call from our end user. And if we do
6 bill and keep, that means when they call us, we
7 don't charge them either, we would never recover
8 our costs. They would be using our network for
9 free to place and receive calls, and that's why we
10 don't understand their position.

11 MS. PREISS: When you're talking about the
12 call going in reverse originating with the AT&T
13 UNE-P customer, are you charging them the UNE-P
14 switching?

15 MR. GABRIELLI: The UNE-P rates, that's
16 correct. Just for the use of the network and the
17 switches to originate and terminate the call.

18 MS. PREISS: Okay. And what is AT&T's
19 position on what the appropriate charge should be
20 in that circumstance?

21 MR. KIRCHBERGER: In that case, if it was
22 a UNE-P AT&T originating and Verizon terminating,

1 we would be charged an unbundled network element
2 for local switching at the originating end.

3 MS. PREISS: So, again you're agreeing
4 with Mr. Gabrielli on this?

5 MR. KIRCHBERGER: Yes.

6 MS. PREISS: Then let's move to what I
7 think Paul was asking about initially. AT&T UNE-P
8 customer originates a call that is heading toward a
9 CLEC, a third-party CLEC end user.

10 What's AT&T's position on compensation
11 among the three carriers that are involved?

12 MR. KIRCHBERGER: Okay. Now, I'm going to
13 have to give you this answer subject to check
14 because this is a level of technical detail that I
15 have not gone through all the call flows that
16 possibly could have taken in this negotiation,
17 but--

18 MS. PREISS: I understand that, but the
19 issue here, and you're the only witness we have, is
20 AT&T's proposal that all traffic to or from AT&T
21 UNE-P customers within a LATA should be that
22 Verizon should treat that as its own traffic, and

1 we just need to understand what that means. And if
2 we can't ask you, I don't know who we could ask.

3 MR. KIRCHBERGER: Okay. AT&T--the call
4 would originate from AT&T, and we would pay switch
5 minute of use, and if there was any transport
6 associated with that, I believe we would pay. And
7 it would then terminate at a third party's
8 location. That third party, I think, would request
9 call termination compensation for that call, and
10 it's our position that that ought to be paid by
11 Verizon because Verizon has already collected the
12 use of their switch costs from AT&T on originating
13 UNE rates switch minute of use from AT&T.

14 So, they should be treating that traffic
15 as if it's their own, and in reverse if that
16 third-party call originated and terminated at the
17 AT&T UNE-P customer, then Verizon would collect
18 call termination compensation from the third party
19 and not us.

20 MS. PREISS: And keep it?

21 MR. KIRCHBERGER: And keep it.

22 MS. PREISS: We need to clarify something

1 for the record. Could I ask you to look at your
2 testimony at AT&T Exhibit 4, which is your direct
3 testimony.

4 MR. KIRCHBERGER: Yes.

5 MS. PREISS: Page 20, lines 2 through 6,
6 (reading) For traffic from AT&T's UNE-P customers,
7 Verizon would collect reciprocal compensation from
8 the third party as if it had originated the traffic
9 for termination by the third party, although it did
10 not.

11 Is this backwards?

12 MR. KIRCHBERGER: Yes, I think it is. I
13 think it is an error. I would have to read it in a
14 little more detail.

15 Yes, that's backwards. That is an error.
16 That would have to be from--it would to read,
17 (reading) For traffic to AT&T's customers, Verizon
18 would collect reciprocal compensation from the
19 third party as if it had terminated the traffic
20 from the third party, although it did not.

21 Well, technically, it did, but in our
22 stead. That is an error, and thank you for picking

1 that up.

2 I also believe that's also not correct on
3 the JDPL, and that could add some real confusion,
4 and that would be corrected the same way on that
5 issue in the JDPL in the last paragraph.

6 MR. MOON: It seems as though, under what
7 you were just describing, you said that Verizon
8 would, in turn, go to the originating CLEC caller.
9 Apparently, then, that means that Verizon would
10 have to enter into an agreement with that CLEC.

11 Is that something that Verizon objects to?

12 MR. GABRIELLI: This third-party scenario
13 is a little bit more complicated than the one we
14 just went to, which was strictly on Verizon's
15 network.

16 ARBITRATOR ATTWOOD: Even though on the
17 corrected?

18 MR. GABRIELLI: Yes, even though on the
19 corrected.

20 The fact being that Verizon has already an
21 Interconnection Agreement with that CLEC when they
22 interconnect with us for terminating traffic to us

1 and when we send them traffic.

2 What makes it more complicated is that
3 when a call comes in to Verizon's tandem, for
4 example, at a tandem connection from a
5 facility-based carrier, we record that call coming
6 down that trunk group, and we identify that as
7 terminating at a UNE-P number.

8 And currently today, we will take that
9 record and we will bill the tandem switching, if
10 applicable. The UNE rates and the UNE elements to
11 the UNE-P CLEC, because Verizon's position is we
12 could identify both end users on that call today,
13 and we look at ourselves as a transit company. We
14 don't originate the call, and we are not the
15 terminating the company. We are passing the
16 traffic to them, so we expect to recover our
17 transport costs and the costs we incur at UNE
18 rates, and then expect the UNE-P customers to go
19 back to the person that originated the call on the
20 facility-based side to recover their cost.

21 Similar to an IXC situation were an IXC
22 would terminate to a UNE-P. Access is the UNE-P

1 CLECs in that environment. Or should I just stay
2 on local toll side?

3 MS. PREISS: I understand the analogy.

4 What you're saying is--I have to repeat it
5 because that makes me know I understood it. When a
6 call comes from a third-party CLEC customer to AT&T
7 UNE-P customer, you, Verizon, would charge the
8 AT&T--charge AT&T tandem switching, assuming that
9 the CLEC is interconnecting at the tandem,
10 transport and the local switching element?

11 MR. GABRIELLI: Correct.

12 MS. PREISS: And your expectation would be
13 that AT&T would then bill the third-party CLEC for
14 reciprocal compensation?

15 MR. GABRIELLI: Right. The reason being
16 is that in the Act in 251, CLECs that pass traffic
17 to each other are supposed to enter into
18 Interconnection Agreements with--

19 MS. PREISS: I don't need any references
20 to the Act. I want to understand where the money
21 goes.

22 What you--when Verizon gets that call, you

1 know both end users, and you know that the call-led
2 party is an AT&T UNE-P customer.

3 Does--when you pass that call--well, you
4 never really do pass that call to AT&T and it stays
5 on your facility the whole time, how does--does
6 AT&T get billing information from Verizon,
7 indicating which CLEC that call came from?

8 MR. GABRIELLI: Right. They get--we
9 record an access type record, and we send an EMI
10 feed to the UNE CLECs for all the calls we record
11 for them, originating and terminating.

12 MS. PREISS: What's EMI?

13 MR. GABRIELLI: It's the standard for
14 record exchange.

15 MS. PREISS: Do you know what it stands
16 for?

17 MR. GABRIELLI: I used to.

18 MR. KIRCHBERGER: Electronic message
19 interface?

20 MR. GABRIELLI: It could be.

21 MS. PREISS: Before we do the call the
22 other way, could we hear from AT&T. Again, what

1 would be your proposal?

2 MR. KIRCHBERGER: Rather than for Verizon
3 acting as the clearinghouse for all that data is
4 Verizon would, in fact, turn around and charge the
5 originating third-party carrier call termination
6 charge, which would be under their current
7 agreements with that carrier, and keep that call
8 termination and then not charge us the local
9 switching.

10 MS. PREISS: Okay. Now let's do it the
11 other way, from the AT&T UNE-P customer to the
12 third-party CLEC. Verizon?

13 MR. GABRIELLI: Okay. The difference with
14 this call, Verizon would only originate the end
15 office, and we would record this call going to the
16 CLEC, the problem being that the facility-based
17 CLEC also records any records coming down an
18 interconnection that they have with us. And when
19 they record that call, they look at the originating
20 MP and XX it came from, and not having this--they
21 don't have a database yet that can identify that
22 10-digit telephone number as belonging to a UNE-P.